

# LAKE COUNTY ECONOMIC FORECAST

Lake County is located in Northern California, approximately 100 miles north of San Francisco. The name of the county is derived from Clear Lake, the largest natural freshwater lake in the state and a prominent recreation destination. Lake County has a population of 65,100 people and a total of 16,500 wage and salary jobs. The per capita income is \$39,543 and the average salary per worker is \$45,186.

In 2016, total wage and salary employment increased by 520 jobs in Lake County, representing a growth rate of 3.3 percent. Non-farm employment grew by 3.0 percent, while farm employment increased by 7.6 percent. The unemployment rate improved substantially, falling from 7.6 percent in 2015 to 6.6 percent in 2016.

Over the past year, the largest employment gains were observed in government (+130 jobs), construction (+120 jobs), healthcare and education (+100 jobs), and agriculture (+80 jobs). The largest declines were in transportation and utilities (-30 jobs).

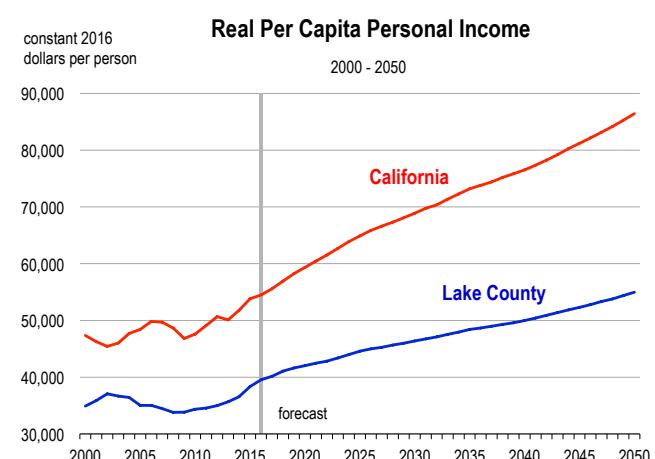
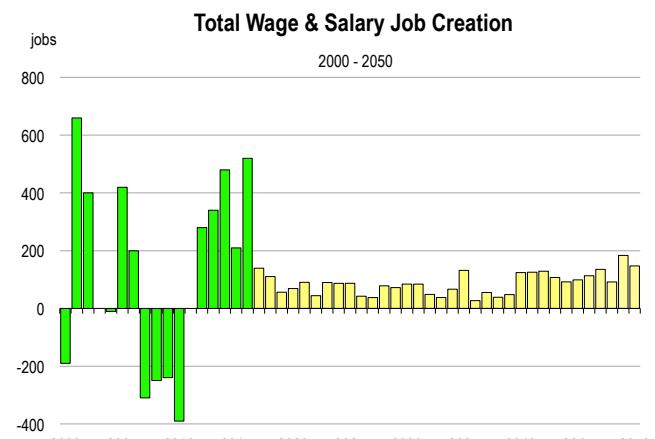
Between 2011 and 2016, the Lake County population increased at an average rate of only 0.1 percent per year. Over this time frame, the county gained an average of 164 residents each year through net migration, but lost an average of 44 residents per year through the natural decrease (deaths outnumbering births).

There are now more Lake County residents in the retirement cohort (people over age 65) than in the young professional group (people age 25 to 44). This has been the main contributor to the natural decrease, and these conditions are expected to persist over the next two decades.

Over the forecast period, the population of Lake County is expected to continue to decline, placing the county at risk of economic stagnation. Job growth is expected to be slow, and because the Lake County labor market is not able to support the local population, many people will commute to other counties for work.

## FORECAST HIGHLIGHTS

- Total wage and salary job growth is projected to be 0.9 percent in 2017. Over the 2017-2022 period, growth will average 0.4 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Lake County, inflation-adjusted salaries are expected to rise by an average of 1.7 percent per year from 2017 to 2022.
- Between 2017 and 2022, the largest employment gains will be in education and healthcare, professional services, and government. Together, these industries will account for 88 percent of net job creation in the county.

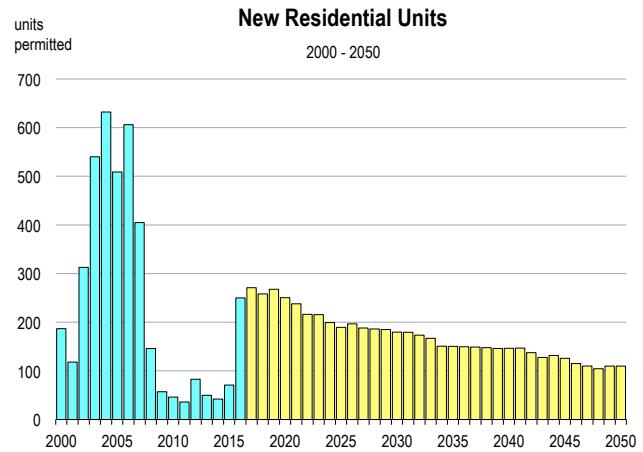
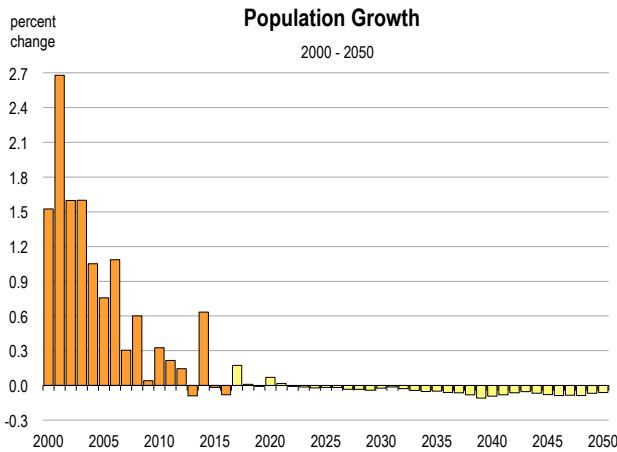


- Over the 2017-2022 period, the Lake County population is not expected to increase by any significant amount. The forecast calls for an increase of only 59 residents during this interval.
- Net migration will be positive but low, with approximately 73 net in-migrants entering the county each year. By contrast, the natural decrease (deaths outnumbering births) is expected to reduce the population by approximately 62 residents each year.
- Real per capita income is forecast to increase by 1.6 percent in 2017. From 2017 to 2022, real per capita income is expected to increase by an average of 0.4 percent per year.
- Between 2017 and 2022, total taxable sales, adjusted for inflation, are forecast to rise by 0.4 percent per year.
- Industrial production is expected to rise by 1.8 percent per year from 2017 to 2022. Over the same period, total crop production is expected to increase by an average of 0.2 percent per year. The principal crop in the county is the wine grape.

# Lake County Economic Forecast

2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	64,606	307	85.0	26.5	46	\$0.46	\$1.97	\$34,356	1.3	72.3	149.1	15.1
2011	64,745	183	84.4	26.7	36	\$0.51	\$2.04	\$34,555	2.7	73.2	150.0	14.5
2012	64,839	213	82.6	27.0	83	\$0.53	\$2.12	\$34,981	2.7	91.0	150.3	12.8
2013	64,781	28	84.9	27.4	50	\$0.55	\$2.19	\$35,679	2.3	101.6	152.2	10.9
2014	65,191	459	86.3	27.5	42	\$0.54	\$2.30	\$36,539	2.8	96.6	157.9	8.9
2015	65,180	83	87.9	27.6	71	\$0.57	\$2.44	\$38,342	2.6	103.4	162.8	7.6
2016	65,128	39	90.3	27.6	250	\$0.60	\$2.58	\$39,543	3.0	105.2	165.5	6.6
2017	65,241	137	91.3	27.7	271	\$0.62	\$2.70	\$40,166	3.1	105.4	176.5	6.1
2018	65,247	71	92.0	27.9	258	\$0.64	\$2.84	\$41,059	3.0	105.7	179.3	5.9
2019	65,245	54	92.6	28.1	268	\$0.66	\$2.96	\$41,636	2.6	105.9	182.4	5.8
2020	65,290	96	93.0	28.2	250	\$0.68	\$3.07	\$42,040	3.1	106.1	186.1	5.7
2021	65,302	82	93.4	28.4	238	\$0.70	\$3.19	\$42,479	3.0	106.4	189.1	5.8
2022	65,300	63	93.6	28.6	216	\$0.72	\$3.30	\$42,844	3.0	106.6	192.7	5.9
2023	65,291	63	93.7	28.8	216	\$0.74	\$3.43	\$43,372	3.0	106.9	196.7	6.1
2024	65,277	68	93.8	28.9	199	\$0.77	\$3.57	\$43,988	2.9	107.1	200.5	6.3
2025	65,266	70	93.8	29.1	189	\$0.79	\$3.70	\$44,573	2.9	107.4	204.0	6.3
2026	65,255	75	93.8	29.2	197	\$0.81	\$3.82	\$44,993	2.8	107.7	207.4	6.4
2027	65,233	69	93.8	29.4	188	\$0.83	\$3.93	\$45,283	2.9	107.9	211.1	6.4
2028	65,211	70	93.8	29.5	186	\$0.85	\$4.05	\$45,643	2.7	108.2	215.5	6.4
2029	65,184	69	93.7	29.7	185	\$0.87	\$4.18	\$45,984	2.5	108.5	220.2	6.4
2030	65,169	84	93.6	29.8	180	\$0.90	\$4.31	\$46,402	2.4	108.8	225.1	6.4
2031	65,161	92	93.6	29.9	179	\$0.92	\$4.43	\$46,750	2.3	109.1	230.0	6.6
2032	65,143	86	93.5	30.1	173	\$0.95	\$4.56	\$47,093	2.5	109.4	235.1	6.6
2033	65,115	79	93.5	30.2	167	\$0.98	\$4.69	\$47,527	2.1	109.7	240.4	6.6
2034	65,081	73	93.4	30.3	151	\$1.00	\$4.83	\$47,924	2.3	110.0	245.7	6.6
2035	65,049	78	93.3	30.4	150	\$1.03	\$4.98	\$48,423	2.4	110.3	251.2	6.5
2036	65,010	70	93.3	30.6	150	\$1.06	\$5.13	\$48,677	2.8	110.6	256.9	6.6
2037	64,969	68	93.2	30.7	149	\$1.09	\$5.30	\$48,965	2.9	111.0	262.7	6.6
2038	64,916	58	93.1	30.8	148	\$1.11	\$5.47	\$49,291	2.7	111.3	268.7	6.6
2039	64,845	39	93.0	30.9	146	\$1.14	\$5.64	\$49,595	2.9	111.7	274.8	6.6
2040	64,786	50	92.9	31.0	146	\$1.17	\$5.83	\$49,994	2.8	112.0	281.2	6.5
2041	64,733	57	92.8	31.1	147	\$1.19	\$6.02	\$50,438	2.6	112.4	287.7	6.5
2042	64,692	68	92.7	31.2	137	\$1.22	\$6.21	\$50,905	2.5	112.7	294.5	6.5
2043	64,658	73	92.6	31.3	128	\$1.25	\$6.40	\$51,362	2.4	113.1	301.5	6.5
2044	64,614	64	92.5	31.4	132	\$1.27	\$6.59	\$51,869	2.2	113.5	308.7	6.5
2045	64,563	55	92.4	31.5	126	\$1.30	\$6.78	\$52,313	2.4	113.9	316.1	6.5
2046	64,507	48	92.3	31.6	115	\$1.32	\$6.98	\$52,775	2.3	114.3	323.7	6.5
2047	64,452	49	92.2	31.7	110	\$1.35	\$7.20	\$53,336	2.3	114.7	331.5	6.5
2048	64,396	45	92.1	31.8	104	\$1.37	\$7.40	\$53,785	2.3	115.1	339.6	6.5
2049	64,353	56	92.0	31.9	110	\$1.40	\$7.64	\$54,382	2.3	115.6	347.9	6.5
2050	64,313	58	92.0	31.9	110	\$1.43	\$7.88	\$54,961	2.3	116.0	356.5	6.5

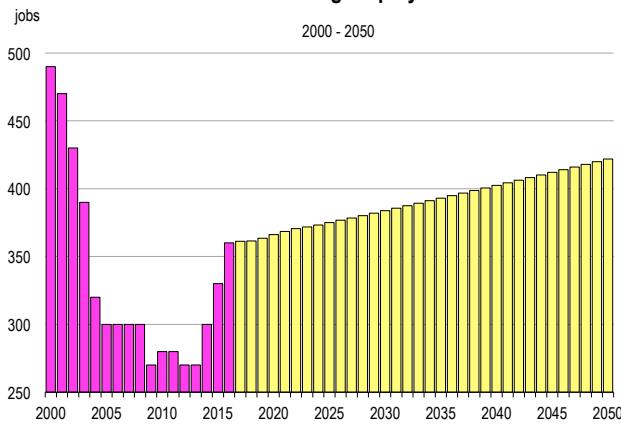


# Lake County Employment Forecast

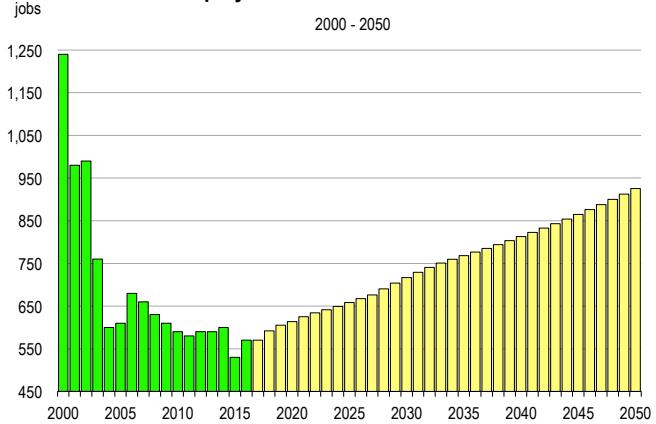
## 2010-2016 History, 2017-2050 Forecast

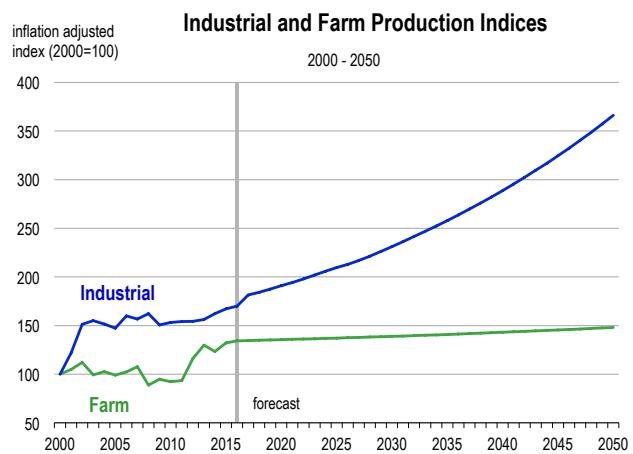
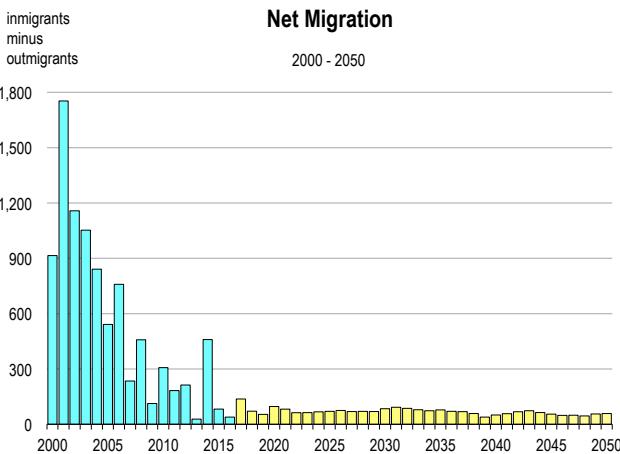
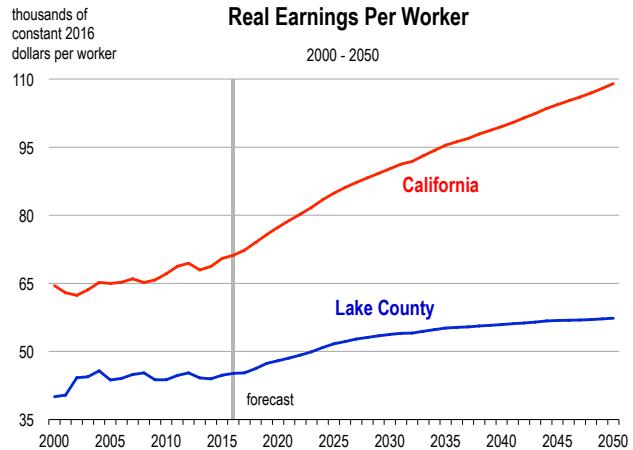
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	14.62	1.06	0.38	0.28	0.53	2.11	0.35	0.59	0.13	3.58	1.13	4.11
2011	14.62	1.15	0.34	0.28	0.56	2.11	0.36	0.58	0.14	3.58	1.11	3.91
2012	14.90	1.12	0.36	0.27	0.59	2.10	0.37	0.59	0.15	3.76	1.11	3.95
2013	15.24	1.09	0.38	0.27	0.58	2.20	0.39	0.59	0.15	4.03	1.03	4.01
2014	15.72	1.07	0.45	0.30	0.56	2.29	0.39	0.60	0.14	4.26	1.05	4.06
2015	15.93	1.06	0.50	0.33	0.53	2.34	0.38	0.53	0.13	4.35	1.07	4.18
2016	16.45	1.14	0.62	0.36	0.50	2.36	0.38	0.57	0.12	4.45	1.11	4.31
2017	16.59	1.14	0.60	0.36	0.55	2.37	0.38	0.57	0.12	4.45	1.12	4.40
2018	16.70	1.15	0.59	0.36	0.55	2.38	0.38	0.59	0.12	4.50	1.12	4.42
2019	16.76	1.15	0.59	0.36	0.56	2.38	0.38	0.61	0.12	4.50	1.12	4.46
2020	16.82	1.15	0.58	0.37	0.56	2.39	0.38	0.61	0.12	4.52	1.13	4.48
2021	16.92	1.16	0.57	0.37	0.55	2.39	0.38	0.63	0.12	4.56	1.14	4.51
2022	16.96	1.16	0.56	0.37	0.55	2.39	0.38	0.63	0.12	4.57	1.14	4.54
2023	17.05	1.16	0.56	0.37	0.55	2.40	0.38	0.64	0.12	4.60	1.15	4.58
2024	17.14	1.17	0.55	0.37	0.54	2.40	0.38	0.65	0.12	4.63	1.15	4.62
2025	17.22	1.17	0.55	0.37	0.54	2.41	0.38	0.66	0.12	4.66	1.15	4.67
2026	17.27	1.17	0.55	0.38	0.53	2.41	0.38	0.67	0.12	4.64	1.16	4.72
2027	17.30	1.18	0.54	0.38	0.53	2.41	0.38	0.68	0.12	4.62	1.16	4.76
2028	17.38	1.18	0.54	0.38	0.53	2.41	0.38	0.69	0.12	4.64	1.16	4.80
2029	17.45	1.18	0.54	0.38	0.52	2.42	0.38	0.70	0.12	4.66	1.16	4.83
2030	17.54	1.19	0.54	0.38	0.52	2.42	0.38	0.72	0.12	4.69	1.17	4.86
2031	17.62	1.19	0.54	0.39	0.51	2.43	0.39	0.73	0.12	4.72	1.17	4.89
2032	17.67	1.19	0.53	0.39	0.51	2.43	0.39	0.74	0.12	4.71	1.17	4.93
2033	17.71	1.19	0.53	0.39	0.51	2.44	0.39	0.75	0.12	4.70	1.18	4.96
2034	17.77	1.20	0.52	0.39	0.50	2.44	0.39	0.76	0.12	4.72	1.18	4.99
2035	17.91	1.20	0.52	0.39	0.50	2.44	0.39	0.77	0.12	4.80	1.18	5.03
2036	17.93	1.20	0.52	0.39	0.49	2.45	0.39	0.78	0.12	4.78	1.18	5.06
2037	17.99	1.21	0.52	0.40	0.49	2.45	0.39	0.79	0.12	4.79	1.19	5.10
2038	18.03	1.21	0.52	0.40	0.49	2.45	0.39	0.79	0.12	4.78	1.19	5.13
2039	18.08	1.21	0.52	0.40	0.48	2.45	0.39	0.80	0.12	4.78	1.19	5.16
2040	18.20	1.22	0.52	0.40	0.48	2.45	0.39	0.81	0.12	4.85	1.20	5.20
2041	18.33	1.22	0.52	0.40	0.48	2.45	0.40	0.82	0.12	4.92	1.20	5.23
2042	18.45	1.22	0.51	0.41	0.47	2.45	0.40	0.83	0.13	5.00	1.20	5.27
2043	18.56	1.23	0.51	0.41	0.47	2.45	0.40	0.84	0.13	5.06	1.21	5.30
2044	18.65	1.23	0.51	0.41	0.47	2.45	0.40	0.85	0.13	5.10	1.21	5.34
2045	18.75	1.23	0.51	0.41	0.46	2.45	0.40	0.86	0.13	5.15	1.21	5.37
2046	18.87	1.24	0.50	0.41	0.46	2.45	0.40	0.88	0.13	5.21	1.22	5.41
2047	19.00	1.24	0.50	0.42	0.46	2.45	0.40	0.89	0.13	5.29	1.22	5.44
2048	19.09	1.24	0.49	0.42	0.46	2.45	0.40	0.90	0.13	5.33	1.22	5.48
2049	19.28	1.24	0.49	0.42	0.45	2.45	0.41	0.91	0.13	5.46	1.23	5.52
2050	19.42	1.25	0.49	0.42	0.45	2.45	0.41	0.93	0.13	5.55	1.23	5.55

Manufacturing Employment



Employment in Professional Services





## County Economic and Demographic Indicators

### Projected Economic Growth (2017-2022)

Expected retail sales growth:	1.9%
Expected job growth:	2.2%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	6.8%

Expected population growth:	0.1%
Net migration to account for:	100%
Expected growth in number of vehicles:	2.5%

### Demographics (2017)

Unemployment rate (April 2017):	5.6%
County rank* in California (58 counties):	31st
Working age (16-64) population:	60.2%

Population with B.A. degree or higher:	16.9%
Median home selling price (2016):	\$204,500
Median household income:	\$36,347

### Quality of Life

Violent crime rate (2015):	506 per 100,000 persons
County rank* in California (58 counties):	43rd
Average commute time to work (2017):	28 minutes

High School drop out rate (2016):	7.9%
Households at/below poverty line (2017):	16.3%
* The county ranked 1st corresponds to the lowest rate in California	